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FM AMEMBASSY SANTIAGO  
TO RUEHC/SECSTATE WASHDC 4165  
INFO RUEHAC/AMEMBASSY ASUNCION 3687  
RUEHBO/AMEMBASSY BOGOTA 2224  
RUEHBU/AMEMBASSY BUENOS AIRES 1202  
RUEHBR/AMEMBASSY BRASILIA 0596  
RUEHCV/AMEMBASSY CARACAS 1887  
RUEHPE/AMEMBASSY LIMA 5870  
RUEHMN/AMEMBASSY MONTEVIDEO 4158  
RUEHQT/AMEMBASSY QUITO 2040  
RUEAIIA/CIA WASHDC  
RHEFDIA/DIA WASHDC  
RHEHNSC/NSC WASHDC  
RUEATRS/DEPT OF TREASURY WASHDC  
RUCPDOG/DEPT OF COMMERCE WASHDC

UNCLAS SANTIAGO 001123

SIPDIS

STATE FOR R/MR, I/PP, WHA/BSC, WHA/PDA, INR/IAA

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TAGS: [KMDR](#) [KPAO](#) [PGOV](#) [ECON](#) [PREL](#) [SNAR](#) [EFIN](#) [CI](#)

SUBJECT: CHILE MEDIA REPORT - DECEMBER 19

#### Lead Story

1. Dailies highlighted that state-owned copper mine Codelco is studying the possible merger of its Andina mine with privately-owned Los Bronces (Anglo American). The merger would create the largest copper mine in the world.

#### U.S.-Related News

2. The fall in the price of copper has forced U.S. mining company Nova Ventura to suspend its operations in Taltal, in the II Region. The company is linked to the investment bank Quantek Asset Management, and had resumed operations just a year ago. The mine decreased its labor force from over 500 to around 70 (Diario Financiero, business and financial daily, circ. 30,000, 12/19).

3. Finance Minister Andres Velasco will meet this week in New York with Brian O'Neill, a senior official of the U.S. Department of the Treasury with responsibilities for the Western Hemisphere, as well as with the Vice President of the Federal Reserve Bank of New York, and with leaders of J.P. Morgan and Goldman Sachs. Velasco will also have lunch at the Council of the Americas (El Mercurio, conservative, influential newspaper-of-record, circ. 129,000, 12/19).

4. It took American Duane Pederson nine years to complete the process of building a luxury resort in Chilean Patagonia, in the XI Region. Pederson said that it "will be the most luxurious in South America. The lodge will be on the hills of Margarita Island, amid cascades, rivers, and white sand beaches. Accommodations will cost from US\$900 to \$2,000 per night. Pederson spent years in obtaining authorization to build the marina, the right to use rivers for a hydroelectric plant, and the necessary environmental approvals, among other things. "The process is exhausting, because no pocket can sustain this amount of paperwork," he said. Clients will be flown to the island on a private plane (Que Pasa, conservative, influential weekly, 12/19).

#### Local

5. Foreign investment in Chile grew 254% from January until the first two weeks of December 2008, when compared to the same period in 2007; total growth is reported at US\$ 2,959 billion. This is a record for the last ten years, reports the Foreign Investment Committee (Estrategia, business and financial daily, circ. 30,000, 12/19).

## Chile and Other Countries

16. UNASUR members have been unable to reach consensus on a candidate to occupy the office of the entity's Executive Secretary, and have started looking for new names. Reportedly, one of these names is that of former Chilean President Ricardo Lagos (La Tercera, conservative, independent, 12/19).

17. Cuban President Raul Castro and his Brazilian counterpart Lula da Silva met in Brazil and issued a series of messages for the United States and Europe. "Latin America and the Caribbean are beginning to understand each other," they said. Lula said that Cuba should receive some form of reparation for its expulsion from the OAS, including an apology. Castro referred to Brazil as Latin America's "older brother," adding that "We want our neighbors in the north and in Europe to know that we will defend our people." Castro, however, lost his smile when a journalist asked him about the "prisoners of conscience" in Cuba. "If you want the dissidents, I can send them to you tomorrow, with family and all. But give back our five heroes," declared Castro, referring to the five Cuban agents imprisoned in the United States. Washington responded by "recommending" the immediate release of the dissidents, noting that they were imprisoned for expressing their opinion (La Nacion, government-owned, editorially independent, circ. 4,200, 12/19).

## Survey

18. A survey conducted by the Diego Portales University shows that the majority of Chileans want the government to take a more active role in pension funds, public transportation, banking, universities, and even in the supermarket sector. 71.6% of respondents said that utility companies should be state-owned; 67.2% that pension fund administration should be state-owned; 65.7% that there should be more state banks; 58.1% that the government should own and administer public transportation; 52.3% that the state should administer universities; and 51.9% that there should be a state-owned supermarket chain. Other results: There was a 52.7% rate of approval for Michelle Bachelet. 37.2% said they would vote for Sebastian Piera, 17.1% for Ricardo Lagos, 6.5% for Eduardo Frei, and 5.5% for Jose Miguel Insulza (All dailies, 12/19).

SIMONS